**MILTON UNDER WYCHWOOD PARISH COUNCIL**

**STATEMENT OF INTERNAL CONTROL REVIEW**

Prepared by the RFO 06/07/2025

Reviewed and approved at a council meeting on 18/03/2026

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| Internal Control Risks | • Errors - Errors made by the RFO. Single point of failure. Reputation of council at risk.<br>• Theft - Hacking of accounts. False invoices. Bogus invoices. Bogus transfers<br>• Fraud - Deception. Persuasion by other to access finance.<br>• Loss of data - Computer hacked. System failure. Irregular backups. Inaccessibility by others.<br>• Purchasing - Correct and proper invoices. Goods as requested. Correct account details. Totals tally. | 1<br>2<br>3<br>4<br>5 |
| Cash Book/ Bank reconciliations | • The cash book is kept up to date from original documents invoices and bank statements,)<br>• The cash book is reconciled to the bank statement on a monthly basis<br>• The bank reconciliation is reviewed quarterly and approved by a member of the Parish Council (excluding Chair, Finance Committee or RFO) with reference to the underlying records (cash book and bank statements)<br>• The latest financial position and movements on the Parish Council's cash balances are reported at each council meeting and can be traced back to the expenditure approved in the previous meeting via the minutes | ✓<br>✓<br>✓<br>✓ |
| Financial Regulations | • A document listing the Parish Council's financial regulations, based on the model version prepared by NALC/SLCC is maintained. The regulations are reviewed for continued relevance and amended where necessary by the RFO together with the Finance Committee with any proposed amendments subject to approval by the Parish Council | ✓ |
| Order/Tender controls | • The Financial Regulations list the number of estimates, quotes or full tenders that must be invited depending on the value and nature of the work.<br>• Official orders/letters are sent to suppliers for services which are not regular in nature. | ✓<br>✓ |
| Legal Powers | • A proper legal power is identified where relevant in advance of any expenditure. The legal power for expenditure is shown on the agenda and minutes for payments made | ✓ |

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| Payment controls | • Depending on the nature of the supply, the RFO checks the purchase invoice to ensure that the supply has been received, that the supply has not previously been paid and that the invoice calculations are correct.<br>• Purchase orders/letters ordering the work are matched to purchase invoices where applicable.<br>• All invoices for payment over £50 are forwarded to the Finance Committee for viewing and to councillors who oversee the relevant areas prior to coming to PC for approval.<br>• All payments made are listed in the minutes of the meeting.<br>• Original invoices are available at the meetings where the Councillors sign the cheques (if used)<br>• Invoices paid are numbered and the same number entered in the cashbook for cross reference purposes<br>• The credit transfer number used to settle an invoice and the date it was signed are entered on the invoice for cross reference purposes<br>• Direct Debits and obligatory payments can be paid on demand once approved by PC | ✓<br>✓<br>✓<br>✓<br>✓<br>✓<br>✓ |
| s137 | • A separate S137 account is maintained<br>• The RFO/Finance Committee calculates the maximum amount of S137 expenditure able to be made each year and ensures that it is not exceeded – confirmed to the Parish Council when expenditure is considered either by reference to a specific budget for that payment or to the amount of unspent S137 money available<br>• Where requests for expenditure from S137 are made this is made clear on the meeting agendas where the payment is to be approved<br>• The proper minute authorising expenditure from S137 is prepared on each occasion | ✓<br>✓<br>✓<br>✓ |
| VAT repayment claims | • RFO ensures that all invoices are addressed to the Parish Council.<br>• RFO ensures that proper VAT invoices are received where VAT is payable<br>• RFO maintains a VAT column in the cashbook to show that the correct amount of VAT is reclaimed in the year and a VAT account book is drawn up at the point of VAT reclaim | ✓<br>✓<br>✓ |
| Income controls | • RFO ensures that amount of the precept received is correct in accordance with the precept request sent to the District Council<br>• RFO ensures that the precept instalments are received when due<br>• RFO ensures that other receipts (deposit interest, grants) are received when due and correctly calculated<br>• Income is banked promptly | ✓<br>✓<br>✓<br>✓ |
| Financial reporting | • A receipts & payments account, comparing actual expenditure to the budget and the prior year is prepared on a quarterly basis, presented first to the Finance Committee and then to the Parish Council and minuted as such | ✓ |

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| Budgetary controls | • The budget is prepared in consultation with the Parish Council, as evidenced by reports and minutes in advance of the start of the year<br>• The precept is set on the basis of the budget by the deadline set by the District Council | ✓<br>✓ |
| Payroll controls | • Employees are paid under PAYE scheme.<br>• The employees' salary is set by the Council and a minute is prepared to show the agreed salary for each employee<br>• The salaries are paid by credit transfer.<br>• The RFO ensures that all the necessary payroll returns are made to HMRC | ✓<br>✓<br>✓<br>✓ |
| Asset Control | • The RFO maintains a full asset register<br>• The existence and condition of assets is checked on a regular basis by a member of the Parish Council<br>• The adequacy of insurance of the Parish Council's assets is considered annually in advance of the insurance renewal | ✓<br>✓<br>✓ |
| Internal Audit | • A suitably experienced independent internal auditor is appointed by the Parish Council<br>• An internal audit of the Council's accounting records and financial and other procedures is carried out once a year<br>• The internal auditor prepares a report addressed to the Parish Council which is considered at the next meeting.<br>• The Parish Council ensures that it is satisfied that the internal audit is effective before making arrangements for the new annual internal audit | ✓<br>✓<br>✓<br>✓ |
| External Audit | • The RFO is responsible for compiling the documents for the External Audit.<br>• The RFO must publish the dates when the finances can be inspected<br>• The dates must include the first 10 working days of July. | ✓<br>✓<br>✓ |